



Irish Life Weekly Investment Bulletin

The week that was – WEEK 08 (ending 24/02/2017)

“One can choose to go back toward safety or forward toward growth.” – Abraham Maslow

CSO reports Irish inflation of 0.3% and revises inflation ‘basket’ – The Central Statistics Office (CSO) said that prices on average were up 0.3% year-on-year in January while updating the basket of goods it uses to track inflation. E-readers, e-cigarette refills/liquids, craft beer and champagne have been added among others.

Good news for European corporate earnings – 60% of European companies have seen their fourth-quarter earnings released and, of those, 57% have beaten expectations, which is above the historical average of 53%. More good news for Europe also with purchasing managers’ index (PMI) figure at highest level since 2011.

Global stock market up 0.3% on the week – The MSCI AC World Index continued its positive return for 2017 during the week with a 0.29% rise from 17th to 24th February with the U.S. stock market’s momentum captured by the Dow Jones hitting a 11th consecutive record daily close, not managed since the 1980s.

Fed minutes suggest potential March U.S. rate increase – Federal Reserve minutes released during the week signaled the potential for a rate rise at its next policy meeting in March. Mentioning potentially increased spending and reduced taxation under the Trump administration, the Fed may act to keep a lid on inflation.

U.K. growth for 2016 revised down to 1.8% – The Office for National Statistics’ first estimate of GDP growth for the three months to December, released last month, was 0.6% but this was revised up to 0.7%. However growth for 2016 was revised down from 2% to 1.8% because of weaker exports in the first quarter of the year.

Greece agrees to bailout reform moves – Greece agreed to discuss new bailout initiatives in a bid to break a deadlock with its EU-IMF creditors. "I'm very happy with that outcome," Jeroen Dijsselbloem, who heads the Eurogroup of 19 eurozone finance ministers said after the talks but the IMF said more work was needed.

The Story of the week: Ireland hit the international headlines when four identical calves were born at a farm outside Ennistymon, Co Clare. The odds of such a ‘quad’ birth are about a billion to one, according to geneticists who calculated the chances after a similar situation in Norfolk, England over a decade ago. Mia, Rosey, Fluffy and Jenny are the now famous offspring of a nine-year-old Hereford cross and a Charolais bull. The very elated owner, Tom Clair said: “I came down at half seven on Sunday morning, and when I got down there were two calves standing in front of her.” Then, he noticed a third calf lying by the cow’s side before he heard “another little moo”. His interview has been watched over half a million times on Facebook and he was dubbed the happiest farmer in Ireland.

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Index Performances and Market Data*

Equity Markets % (in Local Currency)	2012	2013	2014	2015	2016	2017 YTD (to 24/02)
ISEQ Overall Return	20.5	35.8	16.8	33.6	-2.7	-0.4
FTSE 100 TR	10.0	18.7	0.7	-1.3	19.1	2.2
Euro Stoxx 50 TR	18.1	21.5	4.0	6.4	3.7	0.6
S&P 500 TR	16.0	32.4	13.7	1.4	12.0	6.1
Nasdaq Composite	15.9	38.3	13.4	5.7	7.5	8.6
Nikkei 225	22.9	56.7	7.1	9.1	0.4	0.9
MSCI Emerging Markets	13.9	0.9	2.6	-8.0	7.1	6.3
MSCI AC World (Gross TR)	16.5	26.2	9.9	1.8	9.7	4.8
Sovereign 10yr Bond Yields (%)	2012	2013	2014	2015	2016	2017 YTD
U.S.	1.7	3.0	2.2	2.2	2.4	2.3
German	1.4	1.9	0.5	0.6	0.2	0.2
UK	1.9	3.0	1.9	1.9	1.2	1.2
Japan	0.7	0.7	0.3	0.2	0.0	0.1
Ireland	4.5	3.4	1.3	1.1	0.7	0.9
Italy	4.6	4.1	2.1	1.6	1.8	2.2
Greece	12.7	8.2	9.6	7.9	7.1	7.1
Portugal	6.9	6.1	2.7	2.5	3.8	3.9
Spain	5.4	4.1	1.6	1.7	1.4	1.7
Central Bank Rates (%)	2012	2013	2014	2015	2016	2017 YTD
ECB	0.75	0.25	0.05	0.05	0.0	0.0
Bank of England	0.5	0.25	0.50	0.50	0.25	0.25
U.S. Federal Reserve	0.25	0.25	0.25	0.50	0.75	0.75
Foreign Exchange Rates	2012	2013	2014	2015	2016	2017 YTD
Euro/Dollar (€/\$)	1.31	1.37	1.21	1.09	1.04	1.06
Euro/Sterling (€/£)	0.81	0.83	0.78	0.75	0.84	0.85
Sterling/Dollar (£/\$)	1.61	1.65	1.56	1.46	1.24	1.24
IPD All Property Return (%)	2012	2013	2014	2015	2016	2017
Ireland	3.1	12.7	40.1	25.0	12.8	N/A
U.K.	2.7	10.7	17.8	13.1	3.6	N/A
U.S.	5.3	11.4	11.2	12.1	7.8	N/A

*Past performance is not a reliable guide to future performance